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Standing Committee on Natural Resources

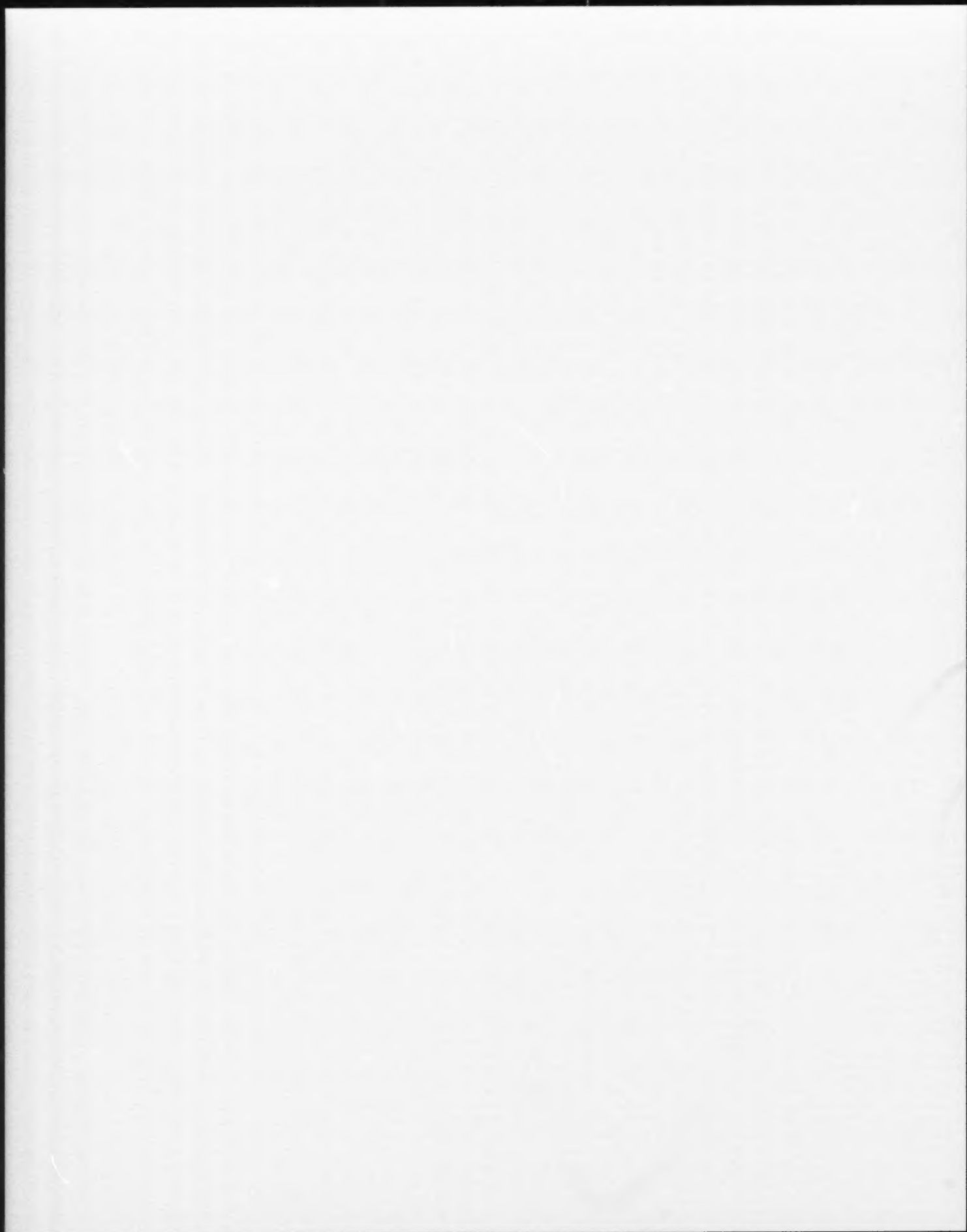
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Tuesday, September 4, 2018

Chair

Mr. James Maloney



Standing Committee on Natural Resources

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• (1205)

[English]

The Chair (Mr. James Maloney (Etobicoke—Lakeshore, Lib.)): Good afternoon, everybody. Welcome back to Ottawa. We're here at the request of four members of the committee, who have requested this special meeting pursuant to Standing Order 106. I'm grateful to everybody for changing their schedules, accommodating that request, and coming back to join us today. Before we jump into the agenda, I just want to quickly welcome Paul Lefebvre, our new parliamentary secretary, to the committee.

Welcome aboard and thank you for coming as well.

Time is of the essence today, as everybody knows, so I'm going to dispense with warm, long verbal greetings and jump right into things. We have a letter signed by four members of the committee, which everybody has seen. I'm going to turn the floor over to Mrs. Stubbs, who, I understand, is going to introduce her motion.

Mrs. Shannon Stubbs (Lakeland, CPC): Thank you, Chair.

Thanks to all of you for being here today. We in this committee have met before on the urgent issue of the Trans Mountain expansion, including a number of times in June when we debated the next steps for the Trans Mountain expansion. I'm glad you are all here, because of the ongoing crisis around the Trans Mountain expansion and the failure to ensure that it will proceed.

In June, when we had then Minister Carr here at committee, I asked him explicitly if he could answer Canadians about when the start date for construction would be, what the ultimate cost to taxpayers would be, and how he was going to provide the political and legal certainty for the Trans Mountain expansion to go ahead. The Liberals, of course, failed to meet the May 31 deadline set by Kinder Morgan; they failed to secure a private sector buyer; and now, as of last Thursday, it's clear that they failed to meet their own standards for consultation and deliver on the process that they themselves announced.

This is crucial for our committee and for every Canadian, because of course the Liberals have spent \$4.5 billion in tax dollars to purchase the existing Trans Mountain pipeline. They promised Canadians that this purchase would ensure, then, that the expansion could proceed. Instead, the Trans Mountain expansion remains in peril, already two years overdue, with severe economic consequences for Canada and damage to Canada's reputation as a safe, predictable, fair place to do business.

This will have significant far-reaching consequences for all of Canada, so that's why we are here: to uphold our responsibility as members of this committee and on behalf of all Canadians. The ongoing delays are no longer acceptable. The Liberals absolutely must provide a clear road map for the Trans Mountain expansion to proceed. That's why we are seeking to bring ministers to committee to answer Canadians very clearly about what their next steps will be, which is a motion I'll get to in a second. The consequences of the ruling on Thursday were clear, that the failure was during the additional consultation processes announced by the then Minister of Natural Resources to consult with indigenous communities. The ruling is clear that this is where the failure happened and this is why the expansion remains at risk.

I must impress upon my colleagues, as I have done in the past, that this has very real and dire consequences, certainly for people I represent but also for hundreds of thousands of Canadians across the country. Immediately, 8,000 workers were out of jobs. These are workers who are often not even reflected in the statistical calculations of the more than 100,000 energy workers who have lost their jobs since the Liberals took office in 2015, because they are often individual contractors or small-business owners.

I suggest that if you ask energy workers and people in Lakeland what they think today, they feel betrayed. They're angry. They feel they're being kicked while they're down by a Liberal government that is all talk, that fails to deliver, and that is in the meantime implementing policies and legislation that will further damage energy investment in Canada, with far-reaching consequences long into their future. The Liberals insisted that the additional consultation they announced, along with the imposition of the carbon tax on all Canadians, would ensure that the Trans Mountain expansion would proceed.

Now, Conservatives have been fighting constantly to get the Trans Mountain expansion built. As you all know, in February in the House of Commons, Conservatives asked for the Liberals to table a clear plan for the Trans Mountain expansion to proceed. The Liberals rejected that request.

• (1210)

Conservatives requested an emergency debate twice. The initial debate was rejected, but after Kinder Morgan's announcement of the May 31 deadline, they said, because it appeared untenable that they could proceed with the expansion, that they would abandon their investment of billions of dollars in the Canadian economy and the creation of thousands of jobs, and that emergency debate was granted. We moved motions here in this committee, and my colleague Tom Kmiec in the finance committee moved a motion asking for clarity on the Liberals' road map for the Trans Mountain expansion.

In 2016, when the Liberals approved the Trans Mountain expansion, the then Minister of Natural Resources, Minister Carr, said, "we believe that to meaningfully consult and accommodate indigenous peoples in the context of these energy reviews is the principal responsibility of the Government of Canada. That's what we have done and that's what we will continue to do."

In October 2017, in response to challenges in the Federal Court, he also said that his government was satisfied that the extra consultation with indigenous communities on the Trans Mountain expansion would satisfy the court. It gives me no pleasure to be here at this committee to make this appeal today, because Conservatives have supported the Liberal approval of the Trans Mountain expansion from day one, agreeing that the expansion is in the national interest. The Conservatives, like energy workers and Canadians right across the country, believed the Liberals when they said that the additional months of consultation with indigenous communities by the ministerial panel and by the cabinet members would ensure that the expansion could proceed, but the ruling on Thursday shows very clearly that the failure of that process has put the Trans Mountain expansion at continued risk.

These failures will devastate energy workers, their families, the whole Canadian economy, and the 43 indigenous communities that had mutual benefit agreements on the Trans Mountain expansion all along the route. It is, as we've discussed multiple times in this committee, just one more in a long list of major energy projects that have been cancelled or abandoned because of the Liberals' failures. Of course, it comes in the wake of the abandonment of energy east because of the last-minute rule changes and the double standard applied to that application by the Liberals, a standard that didn't apply to any other pipeline, that doesn't apply to infrastructure and other major sectors, and that certainly doesn't apply to foreign oil. The Liberals also, of course, outright vetoed the previously approved northern gateway pipeline, killing opportunity for the 31 indigenous communities that had secured mutual benefit agreements worth more than \$2 billion, including opportunities for skills and labour development and education.

The Liberals now have also jeopardized the potential Eagle Spirit Energy corridor and the hard work of more than 35 indigenous communities by ramming through a tanker ban on B.C.'s northern coast, which of course actually applies only to the on- and off-loading of crude and persistent oils at ports and increases a scenario in which foreign tankers can potentially continue to travel in the area, because it doesn't actually enforce the voluntary exclusion zone. And now of course the Trans Mountain expansion's mutual benefit agreements with 43 indigenous communities have been

jeopardized, along with thousands of jobs and billions in revenue. This is why this issue is so important to all Canadians, because not only will the Trans Mountain expansion generate jobs for pipeline workers themselves, now and long into the future, but it is also directly related to the long-term sustainability of Canada's energy sector in the future, and it will deliver millions of dollars in government revenue to municipal governments, to the Alberta and British Columbia governments, and to the federal government overall.

When the approval was overturned last week, Ryan Bruce, director of government and public relations for the union CLAC, said, "Our members were happy to be working. They were expecting long-term employment on the project." Richard Masson, an executive fellow at the U of C school of public policy and the former head of the petroleum marketing association said, "Those guys will be sitting at home waiting for something else to come along. There is nothing as big as this."

• (1215)

Because there's nothing as big as this, we are gathered here today in this emergency meeting to request action and accountability from the Liberals, who owe answers now more than ever because they have made Canadians the owners of the Trans Mountain pipeline. It is the Liberals' obligation and responsibility to disclose, urgently and clearly, exactly what the next steps will be for the expansion to proceed.

I would remind my fellow committee members of the words of Chief Ernie Crey of the Cheam First Nation. He talked about the impact of the Trans Mountain expansion on his community. He said:

In my opinion, if [Trans Mountain] doesn't proceed, hundreds of millions of dollars will be forgone for first nations all the way along the pipeline route.

Why I say this is that, taking my own community as an example, we negotiated really hard. It was really my young council—they're a little over half my age—that negotiated this agreement.... My young council negotiated for a year and a half or more, night and day in some instances, with a pretty tough team on the other side, Kinder Morgan's team, and yet we reached a mutual benefits agreement. I want to stress mutual benefits: benefits to the proponent and benefits to our community.... [T]he jobs that result [from the expansion] are not one-shot jobs that are there for a year or two and then are gone when the pipeline is concluded. That is a terrible misrepresentation of things. What we've negotiated will be lasting training and lasting jobs and...over the entire life of what I hope will be the new pipe that will come from Alberta to tidewater in British Columbia.

Already our community is alive with excitement. Every day our young people come to me and say they want to get trained, they want a job, and they want to say goodbye to welfare.... To us, it means millions of dollars to my band alone, a community of approximately 540 people. I know that it also means a lot to many other first nations who haven't stepped up and spoken out, but who also have agreements that are perhaps comparable to ours.

Mike Lebourdais, the former chief of the Whispering Pines/Clinton Indian Band, said, "I want the money from our resources...so that we can pay for our health, so that we can pay for our education, so that we can pay for our elders, so that we can pay to protect our environment, so we can build better pipes, we can build better bridges, and we can build better railways."

Those words express the importance of the energy sector to the Canadian economy overall. The Liberals are failing Canadians by destroying investment confidence in the energy sector in Canada.

My colleague is shaking his head, but the reality is this. Under the Liberals, more energy investment has been lost than in any other time frame in 70 years. There have been \$100 billion of energy products cancelled, and more than 100,000 Canadians right across the country whose livelihoods depend on the energy sector are out of work. Energy is Canada's number one private sector investor and Canada's second biggest export. It literally underpins the entire Canadian economy.

The crisis around the Trans Mountain expansion is a direct result of the Liberals' repeated failures to act, broken promises, empty words, and sham of support for this crucial infrastructure. The consequences are far-reaching and wide. This issue is about confidence in Canada as a place to invest and do business. It's about jobs and opportunity long into the future, which provide revenue to governments to provide core social services and programs for Canadians right across the country.

Because of the added costs and red tape the Liberals are adding to the energy sector, and right across the economy, Canada is becoming uncompetitive, which the finance minister himself admitted recently, particularly with the United States and other oil and gas producing countries around the world. The lack of crucial pipeline infrastructure is estimated to cost the Canadian economy anywhere between \$10 billion and \$15 billion a year. The Bank of Canada is predicting no new energy investment in Canada after 2019. That is a direct result of the Liberals' anti-energy policies and legislation, which damage Canadian competitiveness through higher taxes and added red tape.

• (1220)

U.S. investment in Canada is down significantly, while Canadian investment in the U.S. is up. The United States is clearly positioned as Canada's major energy competitor. The estimates are that the U.S. will provide 80% of the world's growing oil demand in the next three years.

This flight of energy capital from Canada is a crisis, and it is the big picture around the emergency facing the Trans Mountain expansion. I think Canadians are right to ask what on earth the Liberals have been doing since the approval of the Trans Mountain expansion nearly two years ago. How could it be that, as of today, there is no plan, no response, no concrete next steps for the expansion to go ahead? I think it is our duty on this committee, when we have the chance, and I hope we do, to ask the ministers how it could be that they were not prepared for the decision on Thursday, for either scenario or for either outcome. How could it be that they went ahead and made an expenditure of \$4.5 billion with this risk still facing the Trans Mountain expansion?

To date, it's been crickets. There are no announcements. There are no concrete steps. All response from the Liberals has been, as it continues to be from the Prime Minister today, empty words just professing support for the pipeline over and over again. Meanwhile, anti-energy activists—who have been coordinated in their opposition to shut down the Trans Mountain expansion, aided in fact by the Liberals' approval of tax dollars to fund summer jobs to oppose

specifically the Trans Mountain pipeline and expansion—did exactly what they said they were going to do. They used every tool in the tool box to delay this expansion and to stop it.

Now Canadians have a right to ask what exactly the Liberals are going to do to ensure that the Trans Mountain expansion can proceed. As you all know, there was an announcement in Alberta a month ago, when Minister Sohi echoed the empty words of previous ministers and of the Prime Minister that he was sure the Trans Mountain expansion could go ahead. It was a photo op with shovels in the ground, and the representative of Trans Mountain that day said, "Construction may start next year; we're not sure." There was no in-service date, just like when Carr came to the committee in June and couldn't answer any of those questions either.

There are options clearly available to the Liberals for next steps to ensure that the expansion goes ahead. We hope to see them make those proposals, both when they come to this committee and certainly by the start of session on September 17. By then, I think it's very fair for us to expect the Liberals to have delivered a clear plan to Canadians about how they are going to ensure that this expansion will go ahead, because they owe that accountability to the owners of the pipeline, which, because of the Liberals' failures, is now every single individual Canadian.

Frankly, I think it's galling that the Liberals have not yet announced a plan to move forward. Given the conversations we have around this table—and I accept all of our words in good faith—I'm sure that all my Liberal colleagues agree with me that this issue is urgent, and that the Liberals owe those answers to Canadians.

I will move my motion:

That, pursuant to Standing Order 108(2), the Committee study the federal government's actions with regards to the Trans Mountain pipeline purchase and the Trans Mountain expansion project; that six meetings be allocated for this study; that the Minister of Finance and the Minister of Natural Resources appear before the committee, for an hour each, at the first meeting of the study; that the first meeting be held no later than September 6, 2018; that this study be concluded before November 2018; that the meetings be televised; and that the committee report its findings back to the House.

• (1225)

The Chair: Thank you, Mrs. Stubbs.

Has everybody been provided with a copy of the motion? We have agreement around the table to discuss the motion.

Mr. Cannings, you are next in line.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you, Mr. Chair.

Thank you, all, for being here. I know some of you cut short your summer plans. I know I should be sitting in the dentist's chair right now; I'm concerned about that.

I think this is an important subject. I agree with the Conservatives that we need to talk about this, perhaps for completely different reasons, and I would support the motion.

We're obviously here today in this special meeting because of the recent Federal Court of Appeal decision to quash the federal government's approval of the Trans Mountain expansion project. The court quashed the approval based on two errors made. One was in the environmental assessment part, with regard to the lack of consideration of the marine transport issues. The other error was the inadequate consultation with first nations.

The Conservatives here are of course gleefully blaming the Liberals for this mess. It's true that the Liberals do deserve some of the blame here, but the irony in calling this meeting is that this is a problem that was created by the Conservatives in the previous government. It's doubly ironic, for instance, to hear Jason Kenney complaining about the incompetence of the Liberals in this file when he was at the cabinet table when this mess was created. It's the Liberals who ran on a promise to clean up this mess, to redo the approval process for Trans Mountain with a new system, and they failed to do that. That's why we're here today. It's the Conservatives creating this mess and the Liberals failing to clean it up. I hate to say I told you so, but that's why we're here.

In the rush to get pipeline projects done, the Conservatives got into the Fisheries Act, the Navigable Waters Protection Act, and the environmental assessment process. On their watch, the NEB hearings into the Trans Mountain expansion were widely criticized for being too narrow in scope, and they didn't properly consult with first nations. The courts also quashed the approval of the northern gateway pipeline for much the same reason they cited here. There's kind of a pattern.

Both the Liberals and the NDP, as I said, ran on the promise to redo the Trans Mountain expansion approval process under a new process with more rigorous science and more community input. The Prime Minister repeatedly said this on the campaign trail, but they broke that promise and instead simply had a ministerial panel tour through the region on very short notice to hear from first nations and other communities, businesses, and concerned citizens about the project. Nothing was even officially recorded at these meetings. The panellists simply took their own notes and produced a report at the end of the process. That report posed six questions that they felt the Liberal government had to answer before making its decision on the project. As far as I know, those questions have never been properly answered.

One of the two critical errors the government made, according to the Federal Court of Appeal, was the failure to properly consult with indigenous peoples. The consultation process was simply bureaucrats who were sent out to listen to first nations' concerns and relay those concerns to cabinet. As the court repeatedly stated in the decision, they were simply note-takers. There was no attempt made to actually address these concerns. In fact, the consultation team and the government mistakenly believed they couldn't add any more conditions on Kinder Morgan than the NEB had done, so why bother consulting if you can't make any change? That's what the court found was the critical error.

One example of that failure is the concern of the Coldwater first nation, which wanted the pipeline to take an optional route, the west route, so it avoided crossing their aquifer. That's a big concern, but there is no evidence that actually acting on that concern was ever considered.

I would like to quote a couple of paragraphs from the decision around the consultation process. It starts by saying that good faith is required on both sides in the consultative process:

● (1230)

The common thread on the Crown's part must be "the intention of substantially addressing [Aboriginal] concerns" as they are raised through a meaningful process of consultation.

It goes on to state the following:

The controlling question in all situations is what is required to maintain the honour of the Crown and to effect reconciliation between the Crown and the Aboriginal people with respect to the interests at stake.

Those are quotes that the court took from a previous ruling from the Haida Nation case. This is not news. The government knew this before they went into the process.

The decision goes on to make two final points on consultation. First, it says that when the crown knows, or ought to know, that its conduct may adversely affect the indigenous right or title of more than one first nation—we've heard concerns around that—each first nation is entitled to consultation based upon the unique facts and circumstances pertinent to it. So if half the first nations along the route were adequately consulted, or felt they were adequately consulted, and half felt they weren't, it's just not good enough. You have to consult with every first nation.

Second, to again quote from the decision, it's important to understand that the public interest and the duty to consult do not operate in conflict. As a constitutional imperative, the duty to consult "gives rise to a special public interest that supersedes other concerns" commonly considered by tribunals asked to assess the public interest. In the case of the board, a project authorization that breaches the constitutionally protected right of indigenous peoples cannot serve the public interest.

Earlier this year, I put a question on the Order Paper about the six questions that the ministerial panel posed. I want to quote one paragraph from the answer I received from the government that pertains to this consultation. It says:

While there are Indigenous communities opposed to the project, there are others in support of it. The goal of free, prior and informed consent is to ensure a holistic approach to interests, through transparent processes aimed at building consensus. It is the same goal at the heart of the Government's current legislation to modernize Canada's environmental assessments and regulatory reviews.

I could go on, but to me, this shows that the government doesn't get it. They are talking about building consensus within first nations. Each first nation has the right to proper consultation. When they talk about bringing indigenous rights—for instance, the UN Declaration on the Rights of Indigenous Peoples—into modern Canadian legislation, they failed to do that in Bill C-69, the bill that updates our environmental assessment process. The government knew the proper way forward and they decided to do something quite different.

I'll just finish my comments on consultation by saying that the government knows what proper consultation is; they should. It's not an impossible task. It's been done before. It just requires more effort and a sincere desire to address the concerns rather than just write them down.

We heard here at this committee some good examples of that. There's the Squamish process regarding Woodfibre LNG. We heard how the Squamish Nation approached that and how that worked. It took some more effort, but it was done properly and they got to the endgame. We heard numerous examples from the mining industry. I think the mining industry has some great examples we can follow on how to properly consult with indigenous peoples and bring them into the benefits of resource extraction.

The other error the court of appeal pointed out was the failure to include concerns about marine transportation in the Trans Mountain expansion approval study. One of the main concerns there is the status of the southern resident population of orcas. That's something we heard a lot about in the news this summer. There were various new items on the plight of that population. The Liberals are relying on their oceans protection plan to cover off those concerns. It's a plan that claims to offer a world-class oil spill response.

• (1235)

This summer I was in Spokane, Washington, and I attended the Pacific NorthWest Economic Region meetings. They bring together legislators from across Oregon, Washington, over to Saskatchewan, and up to Alaska, the Yukon, and the Northwest Territories. I talked to American legislators and other people about the oceans protection plan, and they said one thing repeatedly. The ones who were very apprised of the situation said that Canada calls this a world-class plan, and it's world class only in the sense that it kind of meets basic world standards. It's not world class in the sense of being one of the best.

They pointed out that they have a very modern way of tracking shipping down the Pacific coast that Canada does not have. They want Canada to be part of this system so that we can act proactively when trouble occurs, and Canada has been stonewalling these attempts. They feel they have a real world-class system, and they're concerned about increasing oil tanker traffic off our coast, because they feel we're not putting in that extra effort.

I'll close here by saying that the actions of this government and the previous Conservative government have not only delayed these projects that they feel are so important to Canada but have polarized public opinion on pipelines and resource extraction in general. When people who are concerned about the environment or first nations reconciliation are labelled "foreign-funded radicals", it makes the wide public choose sides and makes it very difficult to have a

reasonable discourse. I think there's a way forward to reduce this polarization. I think it's important that we as a nation travel that path, because right now it's very difficult to have polite discourse on pipelines or on a lot of things, such as climate action, in Canada.

I've been involved in a number of meetings here in Ottawa with a group called Positive Energy out of the University of Ottawa. I'm not sure if anyone else here has gone to those meetings. Their goal is to find ways to bridge that gap, to bring these sides together, so that we can have these important conversations.

I was at one of their meetings and happened to be sitting next to the pollster Nik Nanos. He had done some polling for Positive Energy. That polling found that only 2% of Canadians had high confidence in our energy regulatory system—in the National Energy Board, essentially. I won't go into all the details, but he said that in the polling there was a path forward. The path forward was through more involvement of first nations and local communities to bring those voices into the national discourse and into the regulatory process. That would give people more confidence there. We have to look down that path.

To finish, the NDP was criticized for our call to redo the Trans Mountain expansion process under a proper system. Critics said it would take too long, an extra year or two. Well, here we are, three years later, and we're back at square one. The court decision is a reminder that we have to put in the effort at the start. There are no shortcuts.

We feel it's time for a thorough and critical look at our energy strategy in Canada and time to invest boldly in the clean energy sector to provide good, long-lasting jobs in a sector that is the true future of the world energy market. We feel that purchasing old pipelines is not a proper use of public funds. Let's invest in the future.

Thank you.

• (1240)

The Chair: Thank you very much, Mr. Cannings.

The only thing I don't understand is whether you're glad or not that you're not at the dentist's.

Voices: Oh, oh!

Mr. Richard Cannings: Well, my tooth is bothering me, so I'd kind of like to be there.

The Chair: Okay.

Mr. Serré, you're next.

[Translation]

Mr. Marc Serré (Nickel Belt, Lib.): Thank you, Mr. Chair.

I would like to welcome all the members of the Standing Committee on Natural Resources as well as the additional members in attendance today. We have left our ridings and the important work we were doing there to come here, to Ottawa.

First of all, I would like to thank the committee members for moving the motion. This is a very important discussion for us to have.

[English]

I would also like to thank MP Stubbs and MP Cannings for sharing their point of view today about this very important project.

Mr. Chair, we've heard some similar arguments about the previous motions in May and June, so we want to make sure that we continue with this very important project. The Trans Mountain project, as we repeatedly talked about, is really an investment in Canada's future. Our government continues to have the confidence that this project will get built. We have received the ruling from the Federal Court of Appeal, and we are taking the appropriate time to review the decision and assess the next steps.

Mr. Chair, it's really important to recognize that for the past 10 years the Harper Conservatives had the opportunity to diversify Canada's export markets and to build pipelines to tidewater, but the Conservatives could not get it done. We will.

When we look at our government's position, we inherited a flawed environmental review process and we made some significant efforts to improve this process. We're going to review carefully the decision to ensure that we are meeting the highest standards that Canadians expect from us when it comes to protecting the environment and meeting our obligations to consult with indigenous peoples.

Conservatives believe, even today, that we have to make a choice between protecting the environment and growing the economy. Mr. Chair, we know that we can do both. It's also very important to state that we can't go backwards to a time when environmental protections and meaningful conversations with indigenous peoples were seen as an option by the previous government. That is the approach the Harper government took, and that's the approach the Conservative Party is still taking. It's an approach to put us in the position we are in today, and it's a sure way to continue to not build any pipelines.

When we look at the process here, make no mistake: Our government chose to pursue this project with confidence because the facts and evidence demonstrate that it is in the national interest. This was not our first choice, but it is the right choice to protect thousands of jobs and to ensure this project moves forward in the right way.

• (1245)

[Translation]

The expansion of the Trans Mountain pipeline is truly an investment in Canada's future and our government continues to move forward on this project with confidence.

Our government inherited a faulty environmental review process and has made efforts to improve it. We will examine the decision today to make sure that we meet the high environmental protection

standards that Canadians expect as well as our duty to consult aboriginal peoples.

Our government decided to purchase the pipeline because the facts showed that it was truly in Canada's national interest to do so. It is not our first choice, but it is the right choice to protect thousands of jobs and to move the project forward.

[English]

I'm happy to be hearing opposite views on this today at the committee level. As we've said, it's really important to take time from our summer constituent time to discuss this important project. This is not the first time we've discussed this at the committee. Since we've heard some of the views in May and June, and today, I would ask, Mr. Chair, if you would consider putting this motion to a vote.

The Chair: Is there agreement around the table to vote on the motion now? No. There's no consensus.

Does that conclude your remarks, Mr. Serré? Okay. Thank you.

Mr. Poilievre, you are next.

I want to point out that Mr. Poilievre is not a regular member of this committee, but unless there is any objection from around the table, I intend to let him make some remarks.

Hon. Pierre Poilievre (Carleton, CPC): Thank you very much.

When the government nationalized the existing Trans Mountain pipeline, it released a statement that said:

To ensure its timely completion, the Government of Canada has reached an agreement with Kinder Morgan to immediately restart construction on the Trans Mountain Expansion Project. The Government of Canada will guarantee financing for the 2018 summer construction season, through a loan guarantee from Export Development Canada. This guarantee will ensure that construction work on the project is restarted without delay.

That was the justification the government offered for a decision that's unprecedented in a generation, to nationalize a massive piece of private sector energy infrastructure at the expense of 4.5 billion Canadian tax dollars, an expense that fell on the shoulders of our taxpayers and is now paying for the construction of pipelines in the United States of America that will compete with Canadian businesses.

Now I see members of the government today trying to absolve Justin Trudeau of his failures on pipelines, and certainly his supporters will try to externalize the failure that this ruling represents. Unfortunately for them, the facts do not support that exoneration. The facts are very clearly to the contrary.

The member across the way called the process flawed. Well, he's right. It was Justin Trudeau's process. It was a process approved by Justin Trudeau's cabinet in 2016, almost half a year after he took office. If he thought the process he inherited did not work, he could have changed it any way he liked. He is the Prime Minister. He is responsible for the machinery of government. He is the head of the Governor in Council, which is the cabinet, and that body had the final decision on this particular proposal. The portion of the consultations with indigenous people with which the court found fault happened months after Trudeau became Prime Minister. It happened entirely under his watch. That, of course, was phase three of the process.

We appreciate that the government is trying to reach back into the past and blame governments that were long out of office when the offending mismanagement occurred. We expect that they will try to blame everybody but themselves, but our job as Parliament is to hold the government accountable, to have ministers come to this committee and explain why the Trudeau government failed to properly consult indigenous people, why it failed to meet its own environmental standards, and why the Governor in Council approved the project with these flaws included, rather than properly executing the consultation and the consideration so that it would be court-approved. We need answers to those questions about this government's failures, failures that occurred exclusively after it took office.

The second reason we need these hearings is to hear the plan. The government said that construction would be "restarted without delay". That was back in the spring. We're now entering the fall season and we have no idea when shovels will be in the ground. The government has the duty to come before this committee and give us timelines. Eight thousand workers have lost their jobs. Thousands more will suffer. Workers in the oil sands will have less opportunity because the ability to get our product to market has suffered another serious blow under this government. Those workers deserve to know when construction will start and when the project will be completed.

Normally, a government would say that this is, in part, up to private industry because private industry would normally own and operate this kind of infrastructure, but unfortunately we are all the shareholders of this monstrous Liberal boondoggle. The amount of \$4.5 billion has already been poured into this project, and that money has not built, and will not build, a single centimetre of new pipeline.

• (12:50)

Every additional piece of construction on the expansion, if it ever happens, will come at additional expense to Canadian taxpayers, all for a project that in almost every other advanced country in the world would be funded exclusively and profitably by the private sector.

So we all represent the shareholders and we want a shareholder meeting, because management has failed and \$4.5 billion of taxpayer money has now gone out the door for a project that this government cannot even begin to complete because a court found that the Prime Minister's process violated the law and the procedure necessary for it to occur. If the government has nothing to hide, then it should have nothing to fear in bringing management for this project before this esteemed committee to answer questions on behalf of the taxpayers

who are footing the bill and the workers who are out of jobs because of this failure. So I support shadow minister Stubbs in her motion, and I will be voting in favour of it.

The Chair: Thank you, Mr. Poilievre.

An hon. member: You don't have a vote.

The Chair: That's a valid point—you don't actually have a vote, Mr. Poilievre, but the fact that you would vote that way doesn't come as a surprise to anybody, I can assure you.

Mr. Cullen, I understand you have some brief remarks.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): They will be very brief, Mr. Chair, if that would be okay.

I was thinking of the term "shareholder" because it's been discussed. Kinder Morgan had a shareholder meeting the day of the court decision. I forget the exact number. Was it 99.5% that agreed? I want to meet the 0.5% who voted against the greatest swindle in private-public history. Canadians are wondering if they get a say in this, because, as has been indicated, we're shareholders too.

I understand Mr. Serré's point, and I was hoping an answer might be revealed today by the government as to whether they will commit to not appealing this decision. I don't know if committee members have read the court decision, but it's very instructive, very illuminating. Mr. Chair, I don't know if you have had time. It's quite long, and the piece around consultation is informative as well, because the Federal Court actually refers to the Supreme Court itself on its standard of the duty to consult. It would be worrisome to me if a federal government that prides itself on being the defender of the charter and our constitution would attempt to appeal a decision that is based exactly on constitutional rights that have been enshrined. I think the judges in their unanimous decision made something very important for us to know. It may be too soon. Mr. Serré probably doesn't have in his well-prepared notes whether or not the government has decided to appeal, but I hope they don't, because talk about throwing good money after bad.

There were some concerns from some of the groups participating in this review process early on that it was rigged, that it was set in one direction and in only one direction. We found out from the court's hearings now that, as my colleague Mr. Cannings said, the NEB, in what's called the phase three consultation, the consultation tacked on at the very end by the government, simply took notes but didn't believe they had the power to do anything about it. There's an irony that must be appreciated by my colleagues across the way and by Canadians that if the government had actually and sincerely listened to what was being said to them in that consultation round with indigenous peoples, they would know that the number one concern that was raised by every group was tanker traffic. The number one concern that was raised was tanker traffic.

It is somewhat ironic that this permission—the approval—was shot down on two things. One was the failure to properly consult, and the second one was not including tanker traffic in the decision that was put before cabinet. Here's the rub: There are some really sensitive species that would be impacted by this. The NEB did look at this. They didn't include it in their decision, but they did a little study of it and found out that the orca population in particular would be harmed by increased tanker traffic of 700% in the Salish Sea. If they had included that as part of their review, it would have triggered a federal law called SARA, the Species at Risk Act. It was almost as though the NEB and the federal government didn't want to invoke SARA by excluding tankers from their decision-making process.

This is where I will argue with my friend Mr. Poilievre, who says, "Justin Trudeau, Justin Trudeau". It's a bit strange that a process that his government, while he sat at the cabinet table, along with the then prime minister and the now leader of the opposition in Alberta, Mr. Kenney, said was good for Canada, for all Canadians, I assume—maybe I shouldn't make that assumption—including indigenous peoples, has now categorically been shown to be a failure.

I have the quote from the current Prime Minister. When asked during the last campaign, in which we all participated, whether this pipeline we're talking about today would be put through a new review, a better review, he said yes. I might be gullible, but I believed him because it was a straightforward question and he gave a straightforward response. I thought, okay, because clearly the last way of making a decision, created by the last government, fails. It not only fails in court, but I believe it also fails with regard to our responsibilities as leaders in the country. So when Mr. Trudeau said that he would change it, and change it for Kinder Morgan as well, for the Trans Mountain, I believed him. And he didn't.

I didn't think Mr. Harper and Mr. Trudeau had so much in common. I am now seeing that—on this one issue, at least. It's not in terms of style, certainly. No one is going to accuse the two of them of being misidentified as each other. But in terms of substance, when it comes to pipelines, Canadians are going to ask themselves "What's the difference?"

•(1255)

I'll only say this, Chair, and end here. I know that this committee's time is precious. I used to sit on this committee. I enjoyed this committee, because I found it was one of those committees, maybe one of the rare ones in Parliament, where we could try to find common ground on things that were important to Canadians. The natural resource sector is important to Canadians.

I live in northwestern British Columbia. We knock down a lot of trees and kill a lot of fish. It's the way people put food on the table. Yet we've come to realize in the northwest that the shortcut—trying to skirt the law, trying to get quick approval for things that we think we desperately need right in the moment—doesn't work. It doesn't work in court, and it doesn't work in the long term for our economy that everybody has been talking about. Let's remind ourselves that what we're talking about is the federal government putting public money to extract resources in their rawest form to send overseas to be enhanced and then sold back to us, allegedly. It's economic suicide.

I think the committee is charged with this task. I hope the government takes this opportunity. As my grandmother used to say, never waste a good crisis. If people are feeling like this is a crisis, this is an emergency. How do we get product to market? How do we get things done?

I thought the lessons were pretty clear on the northern gateway pipeline, Chair, one that I was familiar with. We watched it go through the courts. We watched a bad consultation process. We felt the NEB was what was called a "captured regulator". They weren't being fair to our communities in hearing our concerns. I thought the government would learn that lesson if they were so committed to moving oil in pipelines, yet here we are again. Another pipeline is trying to get to the west coast with a process that's not just legally flawed but I would say morally flawed, when we don't properly take up our responsibilities as legislators and make laws that obey our Constitution, which is what we see in front of us.

It's a crisis somewhat predicted and very unfortunate. It's creating, as you know, Chair, a lot of distress to our neighbours to the east, in Alberta. A lot of energy workers are wondering what the future holds. For those of us in British Columbia, we share very much with our Alberta cousins a passion for home and community, and a fierce pride in where we come from. We're defenders of where we come from. Unfortunately, it feels more and more like the laws and the way they're being interpreted pit one versus the other. That's unfortunate.

I hope we take up this study. I know that Mr. Cannings is a lot more thoughtful and considerate than I am and looks at these things deeply. I think this would be an opportunity for all our committee members to really dive into what went wrong here and what exactly the options are for the government. They don't seem to have much in the way of response today, and people sure are looking for one.

Thank you for that.

•(1300)

The Chair: Thank you, Mr. Cullen.

Mr. Harvey, go ahead.

Mr. T.J. Harvey (Tobique—Mactaquac, Lib.): I don't have anything to add. I'd just like to put it to a vote.

The Chair: Just so I'm clear, are you moving to adjourn debate? What is it exactly that you're seeking to do?

Mr. T.J. Harvey: Put it to a vote, Mrs. Stubbs' motion.

The Chair: Okay.

Shall we put it to a vote, then?

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): I wouldn't mind saying a few words about that, Mr. Chair.

The Chair: Okay, Mr. Schmale.

Mr. Jamie Schmale: Thank you, Chair.

I do appreciate the comments from my colleagues. I just want to add a few more items here, especially speaking as someone from Ontario who saw the effects of Liberal policies in action, specifically talking about General Electric in the City of Peterborough. That has been a company in the city since the 1800s. It's actually known as the "electric city". General Electric had a contract to build motors for the energy east pipeline. Now, when the Liberals changed the rules halfway through the process multiple times, causing TransCanada to cancel its project, 300 jobs at General Electric were lost just like that. It was the straw that broke the camel's back for General Electric. Those 300 people are out of work and no longer receiving a paycheck, and there were the ripple effects that happened afterwards. A major factory with well-paid jobs was no longer in the City of Peterborough as a result of the cancellation of the energy east pipeline.

It should be noted that there are three big companies that have applied to build pipelines in this country, and all three are no longer doing so under the Liberal rule. There has been \$4.5 billion to build a pipeline, right now, to nationalize the pipeline, and yet it's another failure. They claimed they were going to get it built. They claimed they were going to move forward, and yet we are seeing that money, \$4.5 billion taxpayer dollars, going to the United States to build pipelines and other energy projects in the United States, not in Canada.

We are seeing billions leaving this country for projects outside our borders. People are now without jobs, without paycheques, selling off items they own in order to keep a roof over their heads. What do you say to the energy workers who were once making six figures or more and who are now making zero because of the policies of this Liberal government? I'm actually quite shocked—I think "shocked" is the right word—by the fact that we're not even coming back, that we don't have the minister standing in front of us with a plan. You'd think they would be preparing for this result on both sides—a positive court ruling or a negative court ruling—and they would be ready for that, and yet we're sitting here while the members across the way say, "Well, we would like to work on this a little bit more." Well, that's not really reassuring to the thousands who are waiting to get back to work, people who want to work, who are now without a paycheck and without direction. We can't even get a commitment on when shovels will be back in the ground, to at least say, "Yes, eventually it will, on this date." We can't get a time or a date from this government. It's like they're running around now trying to figure out what's next, and meanwhile they haven't even taken those thoughts forward, that they should be preparing for that and coming to Parliament, coming to this committee, with a plan to move this forward.

I go back to saying I am shocked that we are not here discussing their solution to the problem they caused. We said, over and over again, right from day one when they approved the Trans Mountain pipeline, that they needed to get in front of this. They needed to talk to the people in British Columbia. They needed to do everything they could to move this forward, because we agreed with their decision to approve that pipeline, and yet they didn't. They just seemed to hope that everything would fall into place by pure magic, and clearly it didn't. It was one problem after another, and repeated calls from the opposition about what their plan was. We threw out ideas, and there was still nothing. They just went back to the same

old talking points that it would get built, almost like "We've got this under control", and there has been one failure after another.

• (1305)

The Prime Minister should have gone out to British Columbia to speak with the new premier when he was sworn in. He avoided that over and over again. These conversations should have happened, but what happened? All sides dug in, and we're in the situation we're in now, with no plan to move forward. People's lives are on the line because they just lost their paycheques. Do they stay in their houses? Is there some light at the end of the tunnel?

I can also tell you, from Bill C-69, and I'll go back to the Ontario route, that even those in northern Ontario in the mining sector are quite concerned with this bill. There is no certainty for major projects in this country anymore. We continue to see investment flee this country under this government. What happens after that happens? We also start to lose major talent from this country because they will go elsewhere, where the jobs and opportunities are.

Again, I was hoping there would be a plan, a path forward, but we just have failure after failure. Think of our position with our issues with Saudi Arabia right now, had energy east been moving forward. Just think of the jobs and opportunities out there if we had been able to get Alberta energy out east, and that was a pipeline with most of it already there. It was just an addition on each end.

I obviously will support Mrs. Stubbs' motion. It's a common-sense motion. Hopefully, we can get some answers for these people who are now without a paycheck.

Thank you, Mr. Chair.

• (1310)

The Chair: Thank you, Mr. Schmale.

Mr. Falk, you're next.

Mr. Ted Falk (Provencher, CPC): Thank you, Mr. Chair.

I, too, want to add my comments to this meeting and why we're here.

I want to start by indicating that I think the prime ministership of Justin Trudeau will be marked as a time of failure. It will go down in history as a period of failure: failure to balance the budget, failure to reduce debt, failure on the international stage, failure with trade agreements, failure to establish a plan for illegal migrants crossing our borders, and now, failure to develop our nature resources and to build pipelines.

We find ourselves in a situation in which, not that many months ago, we had an American-based company, Kinder Morgan, wanting to expand its pipelines to accommodate the sale of our natural resources to Asian markets, where we don't have to take a discounted price of 50¢ on the dollar but can sell it at market price. They wanted to build a pipeline that would enable our resource companies to sell our natural resources for what they're worth. All they were asking for was the approval of an expansion project. They wanted the Liberal government to help them go through the regulatory process to get approval to build the Trans Mountain pipeline expansion.

Instead, contrary to what the members on the other side say about moving forward with confidence, we have a government that moved forward with arrogance and bought this pipeline. It was an unnecessary purchase, \$4.5 billion for a pipeline that was valued at \$2.5 billion on the existing owner's books. That \$4.5 billion didn't build one centimetre of new pipe. It paid for the right to operate the existing pipe and to apply to build an additional pipe. With arrogance, this government proceeded to seek the approval of building this expansion without having properly gone through the process required by the regulatory governing bodies to get this approval, and without proper consultation with first nations. They say there is no more important relationship than that with our indigenous peoples. The courts have found that they failed to properly consult and they also failed to properly take into consideration the environmental issues associated with increased tanker traffic.

This Liberal government under the leadership of Justin Trudeau is an utter failure on almost everything it does. This is just another example.

As a committee, it's very important that we take this time, immediately, to find out what has happened, what has gone wrong, and what the plan to move forward will be, so that we can get our 8,000 construction workers back on the job building pipelines, and put our energy workers back on the job creating energy and selling our energy to international markets.

I want to strongly echo my support for shadow minister Stubbs' motion here today.

• (1315)

The Chair: Thank you, Mr. Falk.

We've heard from just about everybody. Are we in a position to vote on this now?

I need a yes or no on that question before I—

Mr. Richard Cannings: Can I ask one quick question of the Liberal side of the table? I just want to clarify something.

The Chair: We're not really in a question and answer phase here, Mr. Cannings. If you have some brief—

Mr. Richard Cannings: I just want to know whether we actually own this pipeline or not.

The Chair: This isn't the forum for that question.

I take it, then, we are now in a position to vote on Mrs. Stubbs' motion.

Mr. Jamie Schmale: Can we have a recorded vote, Mr. Chair?

The Chair: That's fine.

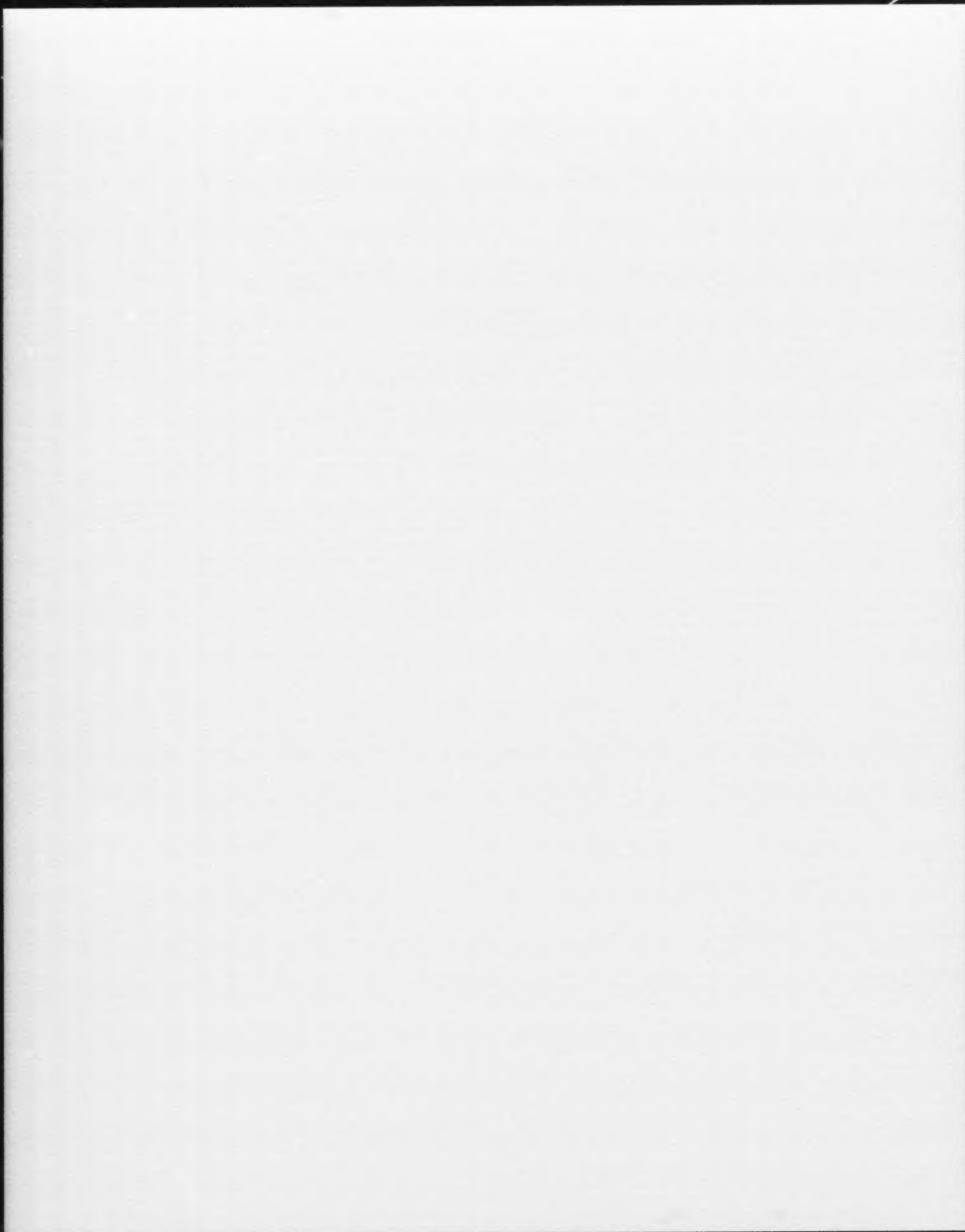
(Motion negatived: nays 5; yeas 4)

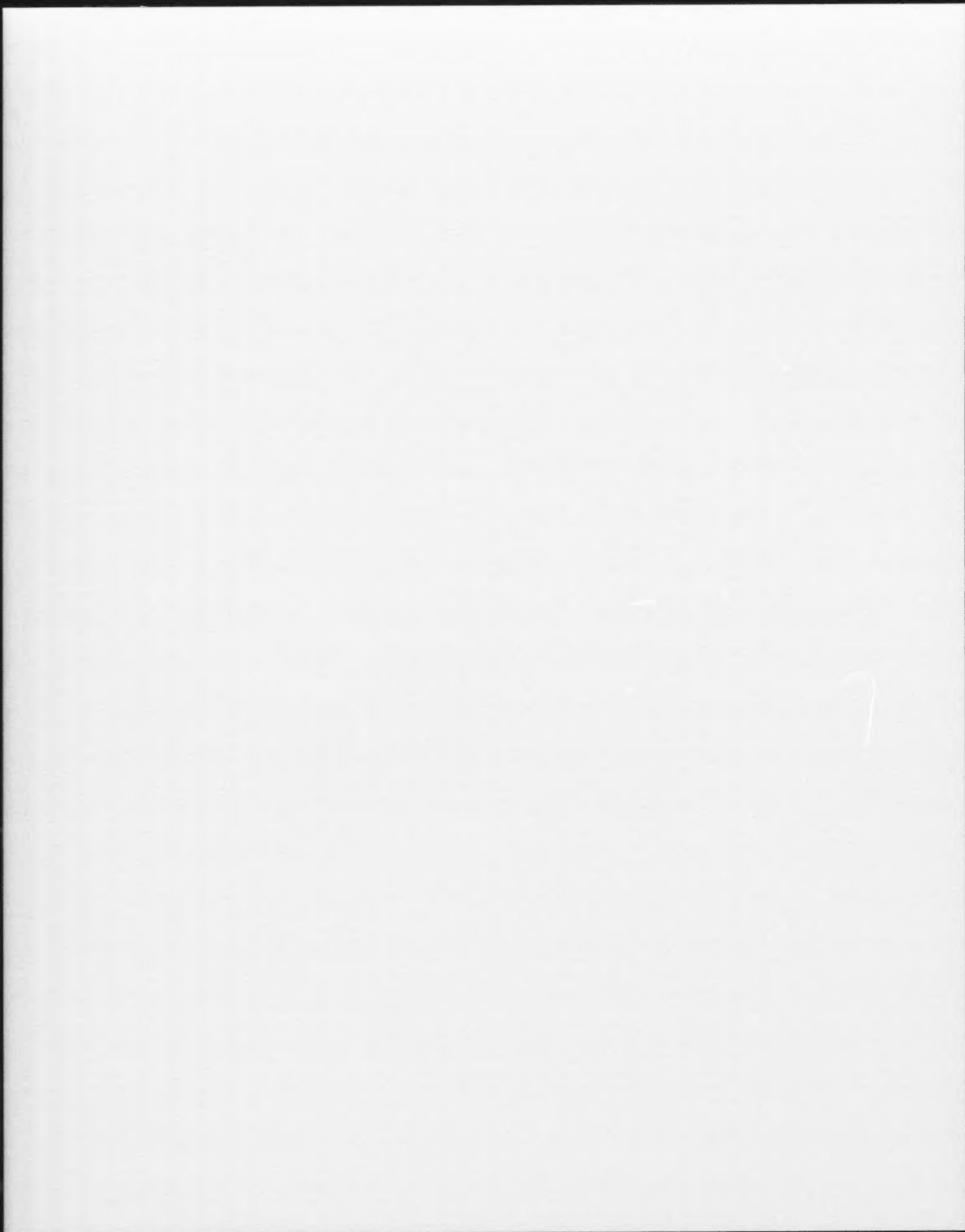
The Chair: The motion is defeated.

There being no other business on the agenda, this meeting is adjourned.

Thank you very much, everybody.







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